

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Calvin Township</b>	County <b>Cass</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>9/30/04</b>	Date Accountant Report Submitted to State: <b>9/30/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Nessel, Smith, Leff, Borsen &amp; Furlong, PLLC</b>			
Street Address <b>6960 Orchard Lake Road, Suite 120</b>		City <b>West Bloomfield</b>	State <b>MI</b>
Accountant Signature <i>Ronald E. Smith</i>		ZIP <b>48322</b>	Date <b>9/30/04</b>

CALVIN TOWNSHIP  
CASS COUNTY      MICHIGAN

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CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

TOWNSHIP BOARD MEMBERS  
MARCH 31, 2004

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SUPERVISOR: Dwight Dyes

CLERK: Leozie S. Broadnax

DEPUTY CLERK: Chaquitta Bullison

TREASURER: Eddie Ballard

DEPUTY TREASURER: Bettye Ballard

TRUSTEE: Wash Danzy, Jr.  
TRUSTEE: Adrienne D. Glover

NESSEL, SMITH, LEFF, BORSEN & FURLONG, PLLC  
Certified Public Accountants

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Gordon J. Leff, CPA/PFS, MST  
Alan L. Borsen, CPA  
Kevin P. Furlong, CPA

Martin Nessel, CPA  
Donald G. Smith, CPA  
Edward M. Burnstein

INDEPENDENT AUDITORS' REPORT

Township Board  
CALVIN TOWNSHIP  
Cassopolis, MI 49031

We have audited the accompanying general purpose financial statements of Calvin Township, Michigan as of March 31, 2004 and for the fiscal year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of CALVIN TOWNSHIP'S management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Calvin Township, Michigan as of March 31, 2004, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Calvin Township, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Nessel, Smith, Leff, Borsen & Furlong, PLLC  
NESSEL, SMITH, LEFF, BORSEN & FURLONG, PLLC  
Certified Public Accounts

West Bloomfield, MI

September 30, 2004

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

COMBINED BALANCE SHEET -  
ALL FUND TYPES AND ACCOUNT GROUPS  
AS OF MARCH 31, 2004

GOVERNMENTAL FUND TYPES

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE	CAPITAL PROJECTS FUNDS
<u>ASSETS</u>				
Cash in Bank	\$ 85,999.43	\$ 0.00	\$ 62,671.72	\$ 8,021.30
Due from Other Funds	3,669.46	0.00	0.00	0.00
Investment in Certificates of Deposit	21,891.24	0.00	0.00	0.00
Receivable - State Revenue Sharing	42,556.00	0.00	0.00	0.00
Delinquent Property Taxes Receivable	6,893.86	0.00	6,550.29	367.85
General Fixed Assets	0.00	0.00	0.00	0.00
Amount Available in Debt Service Fund	0.00	0.00	0.00	0.00
Amount to be Provided by Special Assessment	0.00	0.00	0.00	0.00
TOTAL ASSETS	<u>\$ 161,009.99</u>	<u>\$ 0.00</u>	<u>\$ 69,222.01</u>	<u>\$ 8,389.15</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 11,432.68	\$ 0.00	\$ 0.00	\$ 0.00
Due to Other Funds	0.00	0.00	490.16	3,179.30
Accrued Interest Payable	0.00	0.00	2,691.67	0.00
Special Assessments Collected in Advance	0.00	0.00	2,231.45	0.00
Bonds Payable - Diamond Lake Sewer Project	0.00	0.00	36,235.16	0.00
Bonds Payable - Paradise Lake Sewer Project	0.00	0.00	0.00	0.00
Fund Balance	149,577.31	0.00	27,573.57	5,209.85
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 161,009.99</u>	<u>\$ 0.00</u>	<u>\$ 69,222.01</u>	<u>\$ 8,389.15</u>

See accompanying notes to financial statements

<u>ACCOUNT GROUPS</u>		<u>TOTAL</u>	
<u>GENERAL</u>	<u>GENERAL</u>	<u>(MEMORANDUM ONLY)</u>	
<u>FIXED ASSETS</u>	<u>LONG TERM DEBT</u>	<u>MARCH 31,</u>	<u>MARCH 31,</u>
		<u>2004</u>	<u>2003</u>
\$ 0.00	\$ 0.00	\$ 156,692.45	\$ 230,198.51
0.00	0.00	3,669.46	3,669.46
0.00	0.00	21,891.24	21,750.15
0.00	0.00	42,556.00	20,544.00
0.00	0.00	13,812.00	19,219.05
2,210,424.99	0.00	2,210,424.99	2,208,932.89
0.00	27,573.57	27,573.57	0.00
<u>0.00</u>	<u>555,668.43</u>	<u>555,668.43</u>	<u>627,949.00</u>
<u>\$ 2,210,424.99</u>	<u>\$ 583,242.00</u>	<u>\$ 3,032,288.14</u>	<u>\$ 3,132,263.06</u>
\$ 0.00	\$ 0.00	\$ 11,432.68	\$ 0.00
0.00	0.00	3,669.46	3,669.46
0.00	0.00	2,691.67	8,193.75
0.00	0.00	2,231.45	2,100.34
0.00	238,242.00	274,477.16	317,656.00
0.00	345,000.00	345,000.00	350,000.00
<u>2,210,424.99</u>	<u>0.00</u>	<u>2,392,785.72</u>	<u>2,450,643.51</u>
<u>\$ 2,210,424.99</u>	<u>\$ 583,242.00</u>	<u>\$ 3,032,288.14</u>	<u>\$ 3,132,263.06</u>

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

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COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUND TYPES AND  
EXPENDABLE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

REVENUES	GOVERNMENTAL FUND TYPES				TOTAL (MEMORANDUM ONLY)	
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE	CAPITAL PROJECTS FUNDS	MARCH 31, 2004	MARCH 31, 2003
Taxes	\$ 57,081.68	\$ 0.00	\$ 0.00	\$ 0.00	\$ 57,081.68	\$ 50,358.76
Building Permits	14,877.27	0.00	0.00	0.00	14,877.27	26,464.83
Intergovernmental Revenues	141,986.00	0.00	0.00	0.00	141,986.00	152,984.00
Interest Revenue	884.85	0.00	898.29	0.00	1,783.14	1,053.94
Charges for Service	2,250.00	0.00	0.00	0.00	2,250.00	3,234.00
Special Assessments	0.00	0.00	68,152.72	7,000.35	75,153.07	72,816.82
Miscellaneous Revenues	14,592.88	0.00	3,722.67	0.00	18,315.55	13,045.23
<b>TOTAL REVENUES</b>	<b>\$ 231,672.68</b>	<b>\$ 0.00</b>	<b>\$ 72,773.68</b>	<b>\$ 7,000.35</b>	<b>\$ 311,446.71</b>	<b>\$ 319,957.58</b>
<b>EXPENDITURES</b>						
General Government	\$ 127,901.08	\$ 0.00	\$ 0.00	\$ 0.00	\$ 127,901.08	\$ 99,279.04
Public Safety	19,075.00	0.00	0.00	0.00	19,075.00	25,690.00
Highways and Streets	65,439.01	0.00	0.00	0.00	65,439.01	46,172.24
Building Inspector	14,629.92	0.00	0.00	0.00	14,629.92	22,117.92
Cemetery	15,600.00	0.00	0.00	0.00	15,600.00	11,916.63
Health and Welfare	19,718.62	0.00	0.00	0.00	19,718.62	12,558.80
Culture and Recreation	29,547.33	0.00	0.00	0.00	29,547.33	22,111.92
Aquatic Control Operations	0.00	0.00	0.00	6,324.00	6,324.00	6,250.00
Capital Outlay	1,492.10	0.00	0.00	0.00	1,492.10	2,661.12
Debt Service - Principal	0.00	0.00	44,707.00	0.00	44,707.00	39,707.00
Debt Service - Interest	0.00	0.00	26,362.54	0.00	26,362.54	18,143.94
<b>TOTAL EXPENDITURES</b>	<b>\$ 293,403.06</b>	<b>\$ 0.00</b>	<b>\$ 71,069.54</b>	<b>\$ 6,324.00</b>	<b>\$ 370,796.60</b>	<b>\$ 306,608.61</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>\$ (61,730.38)</b>	<b>\$ 0.00</b>	<b>\$ 1,704.14</b>	<b>\$ 676.35</b>	<b>\$ (59,349.89)</b>	<b>\$ 13,348.97</b>
<b>OTHER FINANCING SOURCES / (USES)</b>						
Operating Transfers In	\$ 0.00	\$ 0.00	\$ 25,869.43	\$ 0.00	\$ 25,869.43	\$ 0.00
Operating Transfers Out	0.00	0.00	0.00	(25,869.43)	(25,869.43)	0.00
<b>TOTAL OTHER FINANCING SOURCES / (USES)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 25,869.43</b>	<b>\$ (25,869.43)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER / (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ (61,730.38)</b>	<b>\$ 0.00</b>	<b>\$ 27,573.57</b>	<b>\$ (25,193.08)</b>	<b>\$ (59,349.89)</b>	<b>\$ 13,348.97</b>
<b>FUND BALANCE - MARCH 31, 2003</b>	<b>211,307.69</b>	<b>0.00</b>	<b>0.00</b>	<b>30,402.93</b>	<b>241,710.62</b>	<b>228,362.65</b>
<b>FUND BALANCE - MARCH 31, 2004</b>	<b>\$ 149,577.31</b>	<b>\$ 0.00</b>	<b>\$ 27,573.57</b>	<b>\$ 5,209.85</b>	<b>\$ 182,360.73</b>	<b>\$ 241,711.62</b>

See accompanying notes to financial statements

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL MARCH 31, 2003
<b>REVENUES</b>				
Taxes	\$ 0.00	\$ 57,081.68	\$ 0.00	\$ 50,358.76
Building Permits	0.00	14,877.27	0.00	26,464.83
Intergovernmental Revenues	0.00	141,986.00	0.00	152,984.00
Interest Revenue	0.00	884.85	0.00	788.67
Charges for Service	0.00	2,250.00	0.00	3,234.00
Miscellaneous Revenues	0.00	14,592.88	0.00	8,981.20
<b>TOTAL REVENUES</b>	<b>\$ 274,153.00</b>	<b>\$ 231,672.68</b>	<b>\$ (42,480.32)</b>	<b>\$ 242,811.46</b>
<b>EXPENDITURES</b>				
General Government:				
Township Board	\$ 92,850.00	\$ 100,045.08	\$ (7,195.08)	\$ 80,410.51
Elections	1,000.00	60.00	940.00	0.00
Township Clerk	13,000.00	13,000.00	0.00	8,858.48
Township Treasurer	12,796.00	14,796.00	(2,000.00)	9,887.96
Public Safety	15,000.00	19,075.00	(4,075.00)	25,690.00
Highways and Streets	50,000.00	65,439.01	(15,439.01)	46,172.24
Building Inspector	1,520.00	14,629.92	(13,109.92)	22,117.92
Cemetery	24,487.00	15,600.00	8,887.00	11,916.63
Health and Welfare	20,000.00	19,718.62	281.38	12,558.80
Culture and Recreation	30,500.00	29,547.33	952.67	22,111.92
Capital Outlay	13,000.00	1,492.10	11,507.90	2,661.12
<b>TOTAL EXPENDITURES</b>	<b>\$ 274,153.00</b>	<b>\$ 293,403.06</b>	<b>\$ (19,250.06)</b>	<b>\$ 242,385.58</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>\$ 0.00</b>	<b>\$ (61,730.38)</b>	<b>\$ (61,730.38)</b>	<b>\$ 425.88</b>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER / (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ 0.00</b>	<b>\$ (61,730.38)</b>	<b>\$ (61,730.38)</b>	<b>\$ 425.88</b>
<b>FUND BALANCE - MARCH 31, 2002</b>	<b>0.00</b>	<b>211,307.69</b>	<b>211,307.69</b>	<b>210,881.81</b>
<b>FUND BALANCE - MARCH 31, 2003</b>	<b>\$ 0.00</b>	<b>\$ 149,577.31</b>	<b>\$ 149,577.31</b>	<b>\$ 211,307.69</b>

See accompanying notes to financial statements



CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

NOTES TO COMBINED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies of CALVIN TOWNSHIP conform to generally accepted accounting principles as applicable to governmental entities. The following is a summary of the significant accounting policies:

Reporting Entity - The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service, and special financing relationships. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14 which are included in the District's reporting entity.

Fund Accounting - The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The various funds are grouped in the combined financial statements in this report into generic fund types in three broad fund categories as follows:

**GOVERNMENTAL FUNDS**

General Fund - The General Fund contains the records of the ordinary activities of the Township which are not accounted for in another fund. General Fund Activities are financed by revenues from general property taxes, state-shared revenues, and other sources.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of earmarked revenues or financing activities requiring separate accounting because of legal or regulatory provisions.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt obligations principal, interest and related costs.

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary Funds.

**PROPRIETARY FUND TYPES**

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water and sewer services to the general public on a continuing basis are financed through user charges. CALVIN TOWNSHIP does not have a fund of this type.

Internal Service Funds - The Internal Service Funds are used to account for financing of goods or services provided by one department to other departments of the Township on a cost-plus basis. CALVIN TOWNSHIP does not have a fund of this type.

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

NOTES TO COMBINED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ( CONTINUED )

**FIDUCIARY FUNDS**

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, other governments or other funds. These include the Cemetary Perpetual Care Funds and the Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Basis of Accounting - The financial activity of the Agency Funds is limited to collection of amounts which are subsequently returned or paid to third parties and accordingly, are limited to cash transactions. All governmental funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- A. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned. Other revenue is recorded when received.

Properties are assessed as of December 31, and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the County tax rolls.

- B. Normally, expenditures are not divided between years by the recording of prepaid expenses.

Fixed Assets and Long Term Debt - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Group of accounts, rather than in the governmental funds. Such assets are recorded as expenditures at the time of purchase. No depreciation has been provided on general fixed assets.

All fixed assets are recorded at cost, or if donated, at their estimated fair value on the date donated.

The General Fixed Assets Group of accounts are not funds and do not involve the measurement of results of operations.

The General Long Term Debt account group presents the balance of general obligation, long term debt which is not recorded in proprietary or trust funds.

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

NOTES TO COMBINED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2004

2. TOTAL COLUMN ON COMBINED STATEMENTS - OVERVIEW

The total column on the Combined Statements - Overview is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. PROPERTY TAXES RECEIVABLE

The delinquent real property taxes of the Township and School District #14010 are purchased by the County of Cass. By the operation of the County's delinquent tax revolving fund, the Township is scheduled to be paid for these taxes during May, 2004. These taxes have been recorded as revenue for the current year.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in recorded General Fixed Assets follows:

	BALANCE AS OF APRIL 1, 2003	ADDITIONS	DELETIONS	BALANCE AS OF MARCH 21, 2004
ASSETS				
Land (2 Acre Parcel)	\$2,000.00			\$2,000.00
Community Development Building	50,809.56			50,809.56
TOTAL COMMUNITY DEVELOPMENT BUILDING	\$52,809.56			\$52,809.56
Land (23 Acres)	\$23,600.00			\$23,600.00
Land (18 Acre Parcel)	18,512.50			18,512.50
Diamond Lake Sewer System	785,501.00			785,501.00
Paradise Lake Sewer System In Progress	1,315,977.73			1,315,977.73
Furniture and Fixtures	9,361.93			9,361.93
Computer	3,170.17	1,492.10	0.00	4,662.27
TOTAL GENERAL FIXED ASSETS	\$2,208,932.89	\$1,492.10	\$0.00	\$2,210,424.99
FUND EQUITY				
Investment in General Fixed Assets	\$2,208,932.89	\$1,492.10	\$0.00	\$2,210,424.99

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

NOTES TO COMBINED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2003

5. CASSOPOLIS AREA UTILITIES AUTHORITY

During February, 1986 the Township of Calvin and the Townships of Jefferson, LaGrange and Penn entered into an agreement to construct a sanitary sewer collection system for the entire area around Diamond Lake. The authority is a separate reporting entity and its operating activities are not reported on these financial statements.

At March 31, 2003, the Paradise Lake Sewer System is in construction stages, scheduled to be completed by March 31, 2004. The system will be owned and operated by the Cass County Department of Public Works until the bonds for the construction are paid-in-full (40 Years).

6. LONG TERM LIABILITIES

The Series A and B bonds payable were issued to finance the construction of a sewer project for residents in the Diamond Lake area. The debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment in the following year. The remaining portion of this obligation is reported in the General Long Term Debt Account group and paid from Special Assessments. The bond interest rate for 2003 is 2% for Series A bonds and 7.10% for Series B bonds, and ratably progresses to 7.4% by the year 2010.

The Diamond Lake sewer project is administered by the Cassopolis Area Utilities Authority to serve residents in the four (4) townships surrounding Diamond Lake. Bonds in the amount of \$5,750,000.00 were issued to finance the cost of the project. The cost allocated to CALVIN TOWNSHIP was 13.46% as determined by the project engineer.

The sewer project for the Paradise Lake area cost \$1,400,000.00. The project was financed by a bond issue of \$350,000.00 with 4.75% interest per annum, plus a grant of \$1,050,000.00 from the United States Department of Agriculture- Rural Development. The bonds are recognized as a liability of Calvin Township and the principal and interest are paid from special assessments to be assessed and collected annually until the year 2041.

The following is a summary of future maturities of the bonds and contract payable, including \$373,794.35 of interest:

	DIAMOND LAKE SEWER PROJECT SERIES A AND B BONDS	PARADISE LAKE SEWER PROJECT BONDS	TOTAL
Fiscal Year Ended March 31, 2005	45,854.76	21,150.00	67,004.76
Fiscal Year Ended March 31, 2006	44,884.92	20,912.50	65,797.42
Fiscal Year Ended March 31, 2007	43,839.05	20,437.50	64,276.55
Fiscal Year Ended March 31, 2008	43,593.05	21,152.50	64,745.55
Fiscal Year Ended March 31, 2009	42,728.75	20,867.50	63,596.25
Thereafter	<u>82,620.25</u>	<u>585,230.73</u>	<u>667,850.98</u>
TOTAL	<u>\$303,520.78</u>	<u>\$689,750.73</u>	<u>\$993,271.51</u>

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

NOTES TO COMBINED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2004

7. BUDGET INFORMATION

The Combined Statement of Revenue, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds has reported transfers separately in accordance with generally accepted accounting principles. The budget has been prepared in accordance with generally accepted accounting principles.

Budget variances of the General Fund are disclosed in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund. Formal budget revisions were not made during the year. The unfavorable budget variances, offset by favorable variances, did not result in any fund deficits.

8. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft, property damages, errors and omissions, injuries to employees, and natural disasters.

The Township is insured with the Michigan Municipal Risk Management Authority. Coverages are carried as follows:

Auto and General Liability	\$5,000,000.00
Property Liability	1,109,734.00

Workers' Compensation coverage is acquired from the Accident Fund of Michigan. Employer's liability limits are \$100,000.00 and \$500,000.00.

9. COMPENSATED ABSENCES

The Township does not have a policy to accrue a liability for compensated absences. The Township has not established a program for compensated absences and does not anticipate a liability that would have a material effect on the financial statements.

10. INVESTMENTS AND CASH

The Township's policy is to invest its cash in local Michigan banks, including interest bearing instruments. Michigan law requires funds to be deposited in Michigan banks.

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

NOTES TO COMBINED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2004

10. INVESTMENTS AND CASH (CONTINUED)

At March 31, 2004 cash balances are as follows:

	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
<u>GENERAL FUND</u>			
Standard Federal Bank, N.A.:			
General Checking	Demand	Not Stated	\$34,577.11
Current Tax Account	Demand	Not Stated	1,596.11
Trust and Agency	Demand	Not Stated	2,126.85
Certificate of Deposit		.61%	21,891.24
G.W. Jones Exchange		Not stated	<u>114,123.91</u>
TOTAL GENERAL FUND			<u>\$174,315.22</u>
<u>CAPITAL PROJECTS FUND</u>			
G.W. Jones Exchange Bank:			
Checking Account - Operating	Demand	.75%	\$ 1,388.80
Standard Federal Bank		.40%	<u>4,323.02</u>
TOTAL CAPITAL PROJECTS FUND			<u>\$ 5,711.82</u>
<u>DEBT SERVICE</u>			
G. W. Jones Exchange Bank	Demand	.75%	<u>\$ 158.09</u>
TOTAL CASH			<u>\$180,185.13</u>

SUPPLEMENTAL INFORMATION

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

COMBINING BALANCE SHEET -  
DEBT SERVICE FUNDS  
AS OF MARCH 31, 2004

	DIAMOND LAKE <u>SEWER FUND</u>	PARADISE LAKE <u>SEWER FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash in Bank	\$ 35,714.66	\$ 26,957.06	\$ 62,671.72
Delinquent - Property Tax Receivable	<u>2,517.17</u>	<u>4,033.12</u>	<u>6,550.29</u>
TOTAL ASSETS	<u>\$ 38,231.83</u>	<u>\$ 30,990.18</u>	<u>\$ 69,222.01</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Due to Other Funds	\$ 490.16	\$ 0.00	\$ 490.16
Accrued Interest Payable	0.00	2,691.67	2,691.67
Special Assessments Collected In Advance	2,231.45	0.00	2,231.45
Bonds Payable	36,235.16	0.00	36,235.16
Fund Balance	<u>(724.94)</u>	<u>28,298.51</u>	<u>27,573.57</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 38,231.83</u>	<u>\$ 30,990.18</u>	<u>\$ 69,222.01</u>



CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
DEBT SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	DIAMOND LAKE SEWER FUND	PARADISE LAKE SEWER FUND	TOTAL
<u>REVENUES</u>			
Special Assessments	\$ 41,545.58	\$ 26,607.14	\$ 68,152.72
Interest Income	829.97	68.32	898.29
Miscellaneous Revenue	<u>3,722.67</u>	<u>0.00</u>	<u>3,722.67</u>
TOTAL REVENUES	\$ 46,098.22	\$ 26,675.46	\$ 72,773.68
<u>EXPENDITURES</u>			
Debt Service- Principal	\$ 39,707.00	\$ 5,000.00	\$ 44,707.00
Debt Service- Interest	<u>7,116.16</u>	<u>19,246.38</u>	<u>26,362.54</u>
TOTAL EXPENDITURES	\$ 46,823.16	\$ 24,246.38	\$ 71,069.54
EXCESS OF REVENUES <u>OVER/UNDER EXPENDITURES</u>	<u>\$ (724.94)</u>	<u>\$ 2,429.08</u>	<u>\$ 1,704.14</u>
<u>OTHER FINANCING SOURCES (User)</u>			
Operating Transfers In From			
Capital Projects Fund	\$ 0.00	\$ 25,869.43	\$ 25,869.43
Operating Transfers Out	<u>0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
TOTAL OTHER FINANCING SOURCES (User)	0.00	25,869.43	\$ 25,869.43
EXCESS OF REVENUES AND OTHER EXPENDITURE AND OTHER USES	<u>(724.94)</u>	<u>28,298.51</u>	<u>\$ 27,573.57</u>
FUND BALANCE- MARCH 31, 2003	\$ 0.00	\$ 0.00	\$ 0.00
FUND BALANCE- MARCH 31, 2004	<u>\$ (724.94)</u>	<u>28,298.51</u>	<u>\$ 27,573.57</u>

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

COMBINING BALANCE SHEET -  
CAPITAL PROJECTS FUNDS  
AS OF MARCH 31, 2004

	DIAMOND LAKE <u>DREDGE FUND</u>	PARADISE LAKE <u>SEWER FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash in Bank	\$ 8,021.30	\$ 0.00	\$ 8,021.30
Delinquent - Special Assessments Receivable	<u>367.85</u>	<u>0.00</u>	<u>367.85</u>
TOTAL ASSETS	<u>\$ 8,389.15</u>	<u>\$ 0.00</u>	<u>\$ 8,389.15</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Due to General Fund	\$ 3,179.30	\$ 0.00	\$ 3,179.30
Fund Balance	<u>5,209.85</u>	<u>0.00</u>	<u>5,209.85</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,389.15</u>	<u>\$ 0.00</u>	<u>\$ 8,389.15</u>

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	DIAMOND LAKE DREDGE FUND	PARADISE LAKE SEWER FUND	TOTAL
<u>REVENUES</u>			
Special Assessments	\$ 7,000.35	\$ 0.00	\$ 7,000.35
TOTAL REVENUES	\$ 7,000.35	\$ 0.00	\$ 7,000.35
<u>EXPENDITURES</u>			
Aquatic Control Operations	\$ 6,324.00	\$ 0.00	\$ 6,324.00
Debt Service- Principal	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL EXPENDITURES	\$ 6,324.00	\$ 0.00	\$ 6,324.00
EXCESS OF REVENUES <u>OVER/UNDER EXPENDITURES</u>	\$ 676.35	\$ 0.00	\$ 676.35
<u>OTHER FINANCING SOURCES/ (Uses)</u>			
Operating Transfers In	\$ 0.00	\$ 0.00	\$ 0.00
Operating Transfers Out			
To Debt Service Fund	\$ 0.00	\$ (25,869.43)	\$ (25,869.43)
Total Other Financing Sources/ (Uses)	\$ 0.00	\$ (25,869.43)	\$ (25,869.43)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/UNDER EXPENDITURES <u>AND OTHER USES</u>	\$ 676.35	\$ (25,869.43)	\$ (25,193.08)
<u>FUND BALANCE - MARCH 31, 2003</u>	4,533.50	25,869.43	30,402.93
<u>FUND BALANCE - MARCH 31, 2004</u>	\$ 5,209.85	\$ 0.00	\$ 5,209.85

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

GENERAL FUND -  
ANALYSIS OF REVENUES  
FOR THE FISCAL YEAR ENDED 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Real and Personal Property Tax Levy	\$ 0.00	\$ 42,169.50	\$ 0.00
Delinquent Taxes / Bad Debts	0.00	21.21	0.00
Administration Fee	0.00	14,890.97	0.00
 TOTAL TAXES	 \$ 0.00	 \$ 57,081.68	 \$ 0.00
 <u>BUILDING PERMITS</u>	 \$ 0.00	 \$ 14,877.27	 \$ 0.00
 <u>INTERGOVERNMENTAL REVENUES</u>			
Sales Tax, etc	\$ 0.00	\$ 141,986.00	\$ 0.00
 <u>CHARGES FOR SERVICE</u>			
Opening Graves	\$ 0.00	\$ 2,250.00	\$ 0.00
 <u>MISCELLANEOUS REVENUES</u>			
Interest Income	\$ 0.00	\$ 884.85	\$ 0.00
Sales of Cemetery Lots	0.00	600.00	0.00
Refunds and Reimbursements	0.00	2,110.77	0.00
Other Revenues	0.00	11,882.11	0.00
 TOTAL MISCELLANEOUS REVENUES	 \$ 0.00	 \$ 15,477.73	 \$ 0.00
  TOTAL REVENUES	  \$ 274,153.00	  \$ 231,672.68	  \$ (42,480.32)

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

GENERAL FUND -  
ANALYSIS OF EXPENDITURES AND TRANSFERS  
FOR THE FISCAL YEAR ENDED 2004

<u>EXPENDITURES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
General Government:			
Township Board:			
Township Trustees	\$ 12,000.00	\$ 12,000.00	\$ 0.00
Township Supervisor	13,750.00	13,749.76	0.24
Assessor	0.00	9,400.00	(9,400.00)
Board of Review	600.00	820.00	(220.00)
Insurance	12,000.00	13,949.56	(1,949.56)
Legal and Audit	10,000.00	11,282.82	(1,282.82)
Seminars and Dues	7,000.00	1,476.61	5,523.39
Supplies and Office Expense	6,000.00	5,932.85	67.15
Travel Expense	6,000.00	357.76	5,642.24
Printing and Advertising	500.00	1,347.98	(847.98)
Taxes - Payroll	10,000.00	3,450.69	6,549.31
Miscellaneous	6,000.00	9,103.80	(3,103.80)
County Treasurer	3,000.00	9,273.25	(6,273.25)
Zoning	6,000.00	7,900.00	(1,900.00)
TOTAL	\$ 92,850.00	\$ 100,045.08	\$ (7,195.08)
Elections	1,000.00	60.00	940.00
Clerk - Fees	13,000.00	13,000.00	0.00
Treasurer - Fees	12,796.00	14,796.00	(2,000.00)
TOTAL GENERAL GOVERNMENT	\$ 119,646.00	\$ 127,901.08	\$ (8,255.08)
Public Safety:			
Fire Runs	15,000.00	19,075.00	(4,075.00)
TOTAL PUBLIC SAFETY	\$ 15,000.00	\$ 19,075.00	\$ (4,075.00)

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

GENERAL FUND -  
ANALYSIS OF EXPENDITURES AND TRANSFERS  
FOR THE FISCAL YEAR ENDED 2004

<u>EXPENDITURES (CONTINUED)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Highway and Road Maintenance	\$ 50,000.00	\$ 65,439.01	\$ (15,439.01)
Building Inspector	\$ 1,520.00	\$ 14,629.92	\$ (13,109.92)
Cemetery:			
Cemetery - Sexton	\$ 15,600.00	\$ 15,600.00	\$ 0.00
Cemetery - Construction	8,887.00	0.00	8,887.00
TOTAL CEMETERY	\$ 24,487.00	\$ 15,600.00	\$ 8,887.00
Health and Welfare:			
Ambulance	\$ 20,000.00	\$ 19,718.62	\$ 281.38
Culture and Recreation:			
Community Building:			
Repairs and Maintenance	\$ 23,500.00	\$ 22,139.06	\$ 1,360.94
Telephone and Utilities	7,000.00	7,408.27	(408.27)
TOTAL CULTURE AND RECREATION	\$ 30,500.00	\$ 29,547.33	\$ 952.67
Capital Outlay - Demolition	\$ 13,000.00	\$ 1,492.10	\$ 11,507.90
TOTAL EXPENDITURES	\$ 274,153.00	\$ 293,403.06	\$ (19,250.06)

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

TRUST AND AGENCY FUNDS -  
COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	BALANCE 4/1/ 2003	ADDITIONS	DEDUCTIONS	BALANCE 3/31/2004
<b><u>TAX COLLECTIONS</u></b>				
<u>Assets</u>				
Cash	\$ 0.00	\$ 1,325,999.65	\$ 1,325,999.65	\$ 0.00
<u>Liabilities</u>				
Due to Other Funds:				
General Fund	\$ 0.00	\$ 51,870.64	\$ 51,870.64	\$ 0.00
Special Assessment Funds	0.00	68,294.95	68,294.95	0.00
Due to Other Governmental Units:				
County of Cass	0.00	776,376.71	776,376.71	0.00
School District #14010	0.00	429,156.98	429,156.98	0.00
School District #14030	0.00	300.37	300.37	0.00
TOTAL LIABILITIES	\$ 0.00	\$ 1,325,999.65	\$ 1,325,999.65	\$ 0.00
<b><u>TRUST AND AGENCY</u></b>				
<u>Assets</u>				
Cash	\$ 0.00	\$ 18,536.20	\$ 18,536.20	\$ 0.00
<u>Liabilities</u>				
Due to Other funds:				
General Fund	\$ 0.00	\$ 8,007.55	\$ 8,007.55	\$ 0.00
Special Assessment Funds	0.00	10,397.09	10,397.09	0.00
Due to Other Governmental Units:				
County of Cass	0.00	0.00	0.00	0.00
School District #14010	0.00	131.56	131.56	0.00
TOTAL LIABILITIES	\$ 0.00	\$ 18,536.20	\$ 18,536.20	\$ 0.00
<b><u>TOTALS - ALL AGENCY FUND</u></b>				
<u>Assets</u>				
Cash	\$ 0.00	\$ 1,344,535.85	\$ 1,344,535.85	\$ 0.00
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Due to Other Funds:				
General Fund	\$ 0.00	\$ 59,878.19	\$ 59,878.19	\$ 0.00
Special Assessment Funds	0.00	78,692.04	78,692.04	0.00
Due to Other Governmental Units:				
County of Cass	0.00	776,376.71	776,376.71	0.00
School District #14010	0.00	429,288.54	429,288.54	0.00
School District #14030	0.00	300.37	300.37	0.00
TOTAL LIABILITIES	\$ 0.00	\$ 1,344,535.85	\$ 1,344,535.85	\$ 0.00
TOTAL LIABILITIES AND FUND BALANCES	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

CALVIN TOWNSHIP  
CASS COUNTY MICHIGAN

STATEMENT OF PROPERTY TAX ACCOUNTABILITY  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	CURRENT TAX LEVY ALLOCATION	DELINQUENT TAXES	TO BE ACCOUNTED FOR	RECEIVED BY TREASURER
County:				
General County	\$ 262,844.07	\$ 31,625.04	\$ 231,219.03	\$ 231,219.03
Special Education	114,820.34	14,192.93	100,627.41	100,627.41
Intermediate School	11,464.28	1,416.52	10,047.76	10,047.76
Community College	136,749.81	16,903.71	119,846.10	119,846.10
Library	36,169.13	4,351.26	31,817.87	31,817.87
Jail	0.00	0.00	0.00	0.00
Council on Aging	49,999.39	6,015.33	43,984.06	43,984.06
State Education Tax	264,334.02	26,563.36	237,770.66	237,770.66
State Education Tax Interest	386.82	0.00	386.82	386.82
TOTAL COUNTY	\$ 876,767.86	\$ 101,068.15	\$ 775,699.71	\$ 775,699.71
School District #14010	501,052.21	72,321.50	428,730.71	429,156.98
School District #14030	300.37	0.00	300.37	300.37
Township General Fund	42,169.50	5,073.18	37,096.32	37,096.32
TOTAL	\$ 1,420,289.94	\$ 178,462.83	\$ 1,241,827.11	\$ 1,242,253.38
Administrative Fee	14,890.97	1,820.68	13,070.29	14,774.32
TOTAL REGULAR ROLL	\$ 1,435,180.91	\$ 180,283.51	\$ 1,254,897.40	\$ 1,257,027.70
Special Assessment:				
Diamond Lake Sewer	\$ 41,545.58	\$ 2,517.17	\$ 39,028.41	\$ 39,028.41
Paradise Lake Sewer	26,607.14	3,973.10	22,634.04	22,634.04
Sail Bay Weed Control	7,000.35	367.85	6,632.50	6,632.50
Sewer Operating Delinquent	0.00	0.00	0.00	0.00
TOTAL SPECIAL ASSESSMENT	\$ 75,153.07	\$ 6,858.12	\$ 68,294.95	\$ 68,294.95
TOTAL ALL ROLLS	\$ 1,510,333.98	\$ 187,141.63	\$ 1,323,192.35	\$ 1,325,322.65
Dog Licenses				677.00
TOTAL				\$ 1,325,999.65